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SUBJECT: PRESIDENT-ELECT LEE'S ADVISORS REPUDIATE SUNSHINE  
POLICY ON TV TALK SHOW

¶1. (SBU) SUMMARY: Providing what might be a preview of President-elect Lee Myung-bak's North Korea policy during a KBS roundtable broadcast on January 1, 2008, two of Lee's foreign policy advisors, Park Jin, foreign policy lead on the transition team, and North Korea specialist Nam Sung-wook declared that the Sunshine Policy was, in Park's words, a "failure," and that the incoming government would evaluate the DPRK "realistically" rather than through the "idealized" view taken by the current administration. In place of unqualified aid, the incoming administration would offer action-for-action economic cooperation as incentives for concrete goals achieved by the DPRK in the Six Party Talks, though such aid could be considerable. Park said that the next administration would not shy away from "tough love" in the form of healthy criticism directed at the DPRK. Overall, both Park and Nam emphasized that only the DPRK could make the choice to denuclearize, thereby putting the onus for the success or failure of the Six Party Talks squarely on the DPRK. Two of President Roh Moo-hyun's foreign policy advisors, Professors Moon Chung-in and Kim Keun-sik, defended the Roh legacy, pinned the blame of DPRK nuclear testing on the U.S., and criticized the North-South economic cooperation ideas of the incoming team as both impossible to implement and similar to the Roh government's policies. END SUMMARY.

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Blaming Roh  
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¶2. (U) Sunshine Policy Failure: Park and Nam both pointed out that, while the Sunshine Policy had been well-intended, it was a failure on multiple levels. While the ROKG had obtained a number of joint statements with the DPRK, concrete results were lacking, said Park. Peace had definitely not been achieved, despite Moon's suggestion, said Park. Most glaring was the fact that the DPRK had tested a nuclear weapon during the ten years of pro-engagement liberal administrations. Furthermore, the Sunshine policy had failed to guarantee that the DPRK would denuclearize in the future. In the process, the progressives had severely damaged the U.S.-ROK alliance while placating the DPRK. Overall, the security situation on the peninsula had deteriorated, not improved, during the ten years of progressive rule. During this time, the DPRK's economy had shrunk and its human rights record remained poor. While having achieving some opening of the DPRK's closed society was positive, overall, the Roh administration had failed to maintain a "balanced" policy by assuming an "idealized" version of the DPRK instead of the

reality, said Nam.

¶3. (U) U.S.-ROK Alliance Damaged: Both sides agreed that the most important factor to successful DPRK denuclearization was U.S.-DPRK relations. However, the progressives used this statement to shift the blame for the DPRK's nuclear test to the U.S., while Lee's advisors pinned the blame for the failure squarely on the Roh and Kim Dae-jung administrations.

Nam said that the Roh government's logic of playing the Northeast Asia "balancer" role had led to "the OPCON transfer controversy," which in turn had caused "unnecessary friction" with the U.S. The incoming government would conduct its diplomacy on a "more balanced logic" that would emphasize pragmatic and actionable items, Nam said.

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NK Policy  
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¶4. (U) "We Will Not Tolerate a Nuclear DPRK" (Park): Park Jin categorically ruled out the possibility of recognizing a nuclear North Korea. "As an iron-clad rule, we will not tolerate a nuclear North Korea," he said. Nam, addressing Kim Jong-il directly, said, "Since Kim Jong-il might watch this show, I have a message for him: I expect you to be agonizing between whether to choose the 'Ukrainian model' or the 'Pakistani model.' As you know, Ukraine gave up its nuclear arsenal, and in return was richly compensated by the international community through various assistance packages. On the contrary, Pakistan has held on to its nuclear capability thus far. I suspect that you might be tempted to follow the latter path. But I advise you to get over that temptation. The new government is ready to set forth a policy vision, and I ask you to consider it seriously. We will be ready to talk with you, and explain it to you

further. We strongly recommend the Ukraine model."

¶5. (U) LMB's USD 3000 GNI DPRK Plan: The Lee advisors appeared serious about advocating LMB's campaign promise to raise the DPRK's annual per capita income to 3,000 USD within a decade. The USD 3,000 marker was important, Nam said, because it was when South Korea reached a per capita income of USD 3,300 in 1987 that a consumer base and civil society became commonplace. Once the DPRK followed through with its declaration, a USD 40 billion fund for North Korean assistance programs would be set up. To reach the USD 3,000 marker, Lee's advisors made it clear that a campaign promise to turn the triangular area between Kaesong, Haeju and Seoul into a special economic zone was being taken seriously as a policy initiative. Displaying a map of the area between Kaesong and Seoul, Park suggested that the first step that could be taken was to create a new industrial complex at the mouth of the Han River on a man-made island, which they referred to as Nadeul Island.

¶6. (U) "DPRK Needs Tough Love" (Park): Park Jin made it clear that the Lee administration did not intend to hold back criticism of the DPRK over its human rights record, even if the DPRK did not want to hear it. After all, Park noted, the ROK itself did not appreciate hearing criticisms from the international community during its own democratization movement, but in hindsight had needed it. Both aides suggested that humanitarian aid in the form of fertilizer and rice could continue, but that the DPRK would have to justify this aid by reciprocating on POWs and family reunions. Without greater reciprocation, such aid would have to be cut.

¶7. (U) All of the conservative and progressive advisors agreed that the Kaesong Industrial Complex had made significant progress, and that it should continue to grow in the future. Park suggested that creating a number of such industrial complexes in the DPRK would be a "win-win" situation for both North and South Korea.

¶8. (U) 6PT Results by Inauguration Date Key: Both advisors suggested that if the Second Phase of the 6PT could be

finished by the time of the February 25 inauguration, it would positively impact the North-South engagement policies of the incoming administration. Specifically, the declaration and disablement portions needed to be finished.

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NLL, OPCON, PSI, MD  
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¶9. (U) The NLL was a maritime border, said Park, indicating that the Lee administration would continue to "defend that territory." Concerning the OPCON transition, Park mentioned that, as the agreement was officially made between the governments of the U.S. and the ROK, it should be "respected for now." However, the exact timing could be "fine-tuned" depending on the developing security situation.

¶10. (U) Nam suggested that the ROK would view the Proliferation Security Initiative (PSI) and Missile Defense (MD) issues with greater flexibility, but would not make a firm commitment to either. "The new government will make decisions as needed, based on national interest and the security situation at a given point."

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Peace Regime  
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¶11. (U) A peace regime was necessary, but peace would not be realized by a "mere declaration," said Park. Four-party discussions about the end of war could begin after the declaration and disablement phases had been concluded.

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Outgoing Advice  
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¶12. (U) Moon said that he had learned two things about the DPRK during the October 2007 North-South Summit. First, they did not like the words "opening" and "reform," instead preferring "modernization" (hyun-dae-hwa) to express the

changes occurring in their economic system. Second, while South Korean CEOs of large conglomerates had no interest in investing in North Korea until denuclearization had been achieved, medium and small business owners had a strong desire to invest, and had pressed their DPRK counterparts for more rapid expansion of the Kaesong Industrial Complex.

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Comment  
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¶13. (SBU) While Lee's presidential campaign only briefly addressed the North Korean issue, it is becoming increasingly clear that his foreign policy advisors want to take a "tough love" stance towards the DPRK. This does not appear to be a moderate foreign policy team that is attempting to bridge the gap between the conservative and progressive camps. Rather, this is a conservative foreign policy team that appears resentful of what it perceives as ten years of what Park Jin called "blind engagement" through liberal "appeasement" of the DPRK. At one point, Moon Chung-in lamented what he perceived as an "anything-but-Roh" attitude from the conservative advisors. The Lee transition team, therefore, appears eager to demonstrate its willingness to take a harder line toward the DPRK, and to reward the DPRK only after solid results in the Six Party Talks. However, President-elect Lee has not yet spelled out his North Korea policy in detail.

VERSHBOW